

INDIANA CHILD SUPPORT RULES AND GUIDELINES

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CHILD SUPPORT RULES

Support Rule 1. Adoption of Child Support Rules and Guidelines

The Indiana Supreme Court hereby adopts the Indiana Child Support Guidelines (Third Edition, 1989), as drafted by the Judicial Administration Committee and adopted by the Board of the Judicial Conference of Indiana and all subsequent amendments thereto, ~~including the 1998 amendments~~ presented by the Domestic Relations Committee of the Judicial Conference of Indiana, as the child support rules and guidelines of this Court.

Support Rule 2. Presumption

In any proceeding for the award of child support, there shall be a rebuttable presumption that the amount of the award which would result from the application of the Indiana Child Support Guidelines is the correct amount of child support to be awarded.

Support Rule 3. Deviation from Guideline Amount

If the court concludes from the evidence in a particular case that the amount of the award reached through application of the guidelines would be unjust, the court shall enter a written finding articulating the factual circumstances supporting that conclusion.

INDIANA CHILD SUPPORT GUIDELINES

GUIDELINE 1. PREFACE

Guidelines to determine levels of child support were developed by the Judicial Administration Committee of the Judicial Conference of Indiana and adopted by the Indiana Supreme Court. The guidelines are consistent with the provisions of Indiana Code Title 31 which place a duty for child support upon parents based upon their financial resources and needs, the standard of living the child would have enjoyed had the marriage not been dissolved or had the separation not been ordered, the physical or mental condition of the child, and the child's educational needs.

The Guidelines have three objectives:

(1) To establish as state policy an appropriate standard of support for children, subject to the ability of parents to financially contribute to that support;

(2) To make awards more equitable by ensuring more consistent treatment of people in similar circumstances; and

(3) To improve the efficiency of the court process by promoting settlements and giving courts and the parties guidelines in settling the level of awards.

The Indiana Child Support Guidelines are based on the Income Shares Model, developed by the Child Support Project of the National Center for State Courts. The Income Shares Model is predicated on the concept that the child should receive the same proportion of parental income that he or she would have received if the parents lived together. Because household spending on behalf of children is intertwined with spending on behalf of adults for most expenditure categories, it is difficult to determine the proportion allocated to children in individual cases, even with exhaustive financial information. However, a number of authoritative economic studies provide estimates of the average amount of household expenditure on children in intact households. These studies have found the proportion of household spending devoted to children is related to the level of household income and to the number and ages of children. The Indiana Child Support Guidelines relate the level of child support to income and the number of children. In order to provide simplicity in the use of the Guidelines, however, child support figures reflect a blend of all age categories weighted toward school age children.

Based on this economic evidence, the Indiana Child Support Guidelines calculate child support as the share of each parent's income estimated to have been spent on the child if the parents and child were living in an intact household. If one parent has custody, the amount calculated for that parent is presumed to be spent directly on the child. For the noncustodial parent, the calculated amount establishes the level of child support.

Amended effective July 1, 1998.

COMMENTARY

History of Development. In June of 1985, the Judicial Reform Committee (now the Judicial Administration Committee) of the Judicial Conference of Indiana undertook the task of developing child support guidelines for use by Indiana judges. While the need had been long recognized in Indiana, the impetus for this project came from federal statutes requiring guidelines to be in place no later than October 1, 1987. P.L. 98-378. Paradoxically, guidelines did not need to be mandatory under the 1984 federal legislation to satisfy federal requirements; they were only required to be made available to judges and other officials with authority to establish child support awards. 45 CFR Ch. III, § 302.56.

The final draft was completed by the Judicial Reform Committee on July 24, 1987, and was presented to the Judicial Conference of Indiana Board of Directors on September 17, 1987. The Board accepted the report of the Reform Committee, approved the Guidelines and recommended their use to the judges of Indiana in all matters of child support.

Family Support Act of 1988. On October 13, 1988, the United States Congress passed the "Family Support Act of 1988," P.L. 100-485 amending the Social Security Act by deleting the original language which made application of the guideline discretionary and inserted in its place the following language:

"There shall be a rebuttable presumption, in any judicial or administrative proceeding for the award of child support, that the amount of the award which would result from the application of such guidelines is the correct amount of child support to be awarded. A written finding or specific finding on the record that the application of the guidelines would be unjust or inappropriate in a particular case, as determined under criteria established by the State, shall be sufficient to rebut the presumption in that case." P.L. 100-485, § 103(a)(2).

The original Guidelines that went into effect October 1, 1987 and their commentary were revised by the Judicial Administration Committee to reflect the requirement that child support guidelines be a rebuttable presumption. The requirement applies to all cases where support is set after October 1, 1989, including actions brought under Title IV-D of the Social Security Act (42 U.S.C.A. § 651-669). Also, after October 1, 1989, counties and individual courts may not opt to use alternate methods of establishing support. The Indiana Child Support Guidelines were required to be in use in all Indiana courts in all proceedings where child support is established or modified on and after October 1, 1989.

Periodic Review of Guidelines and Title IV-D Awards.

The "Family Support Act of 1988" also requires that the Guidelines be reviewed at least every four years "to assure their application results in the determination of appropriate child support award amounts." P.L. 100-485, s 103(b). Further, each state must develop a procedure to ensure that all Title IV-D awards are periodically reviewed to ensure that they comply with the Guidelines. P.L. 100-485, s 103(c).

Compliance With State Law. The Child Support Guidelines were developed specifically to comply with federal requirements, as well as Indiana law.

Objectives of the Indiana Child Support Guidelines.

The following three objectives are specifically articulated in the Indiana Child Support Guidelines:

1. *To establish as state policy an appropriate standard of support for children, subject to the ability of parents to financially contribute to that support.* When the Guidelines were first recommended for use by the Indiana Judicial Conference on September 17, 1987, many courts in the state had no guideline to establish support. Many judges had expressed the need for guidelines, but few had the resources to develop them for use in a single court system. The time, research and economic understanding necessary to develop meaningful guidelines were simply beyond the resources of most individual courts.

2. *To make awards more equitable by ensuring more consistent treatment of people in similar circumstances.* This consistency can be expected not only in the judgments of a particular court, but between jurisdictions as well. What is fair for a child in one court is fair to a similarly situated child in another court.

3. *To improve the efficiency of the court process by promoting settlements and giving courts and the parties guidelines in settling the level of awards.* In other words, when the outcome is predictable, there is no need to fight. Because the human experience provides an infinite number of variables, no guideline can cover every conceivable situation, so litigation is not completely forestalled in matters of support. If the guidelines are consistently applied, however, those instances should be minimized.

Economic Data Used in Developing Guidelines. What does it take to support a child? The question is simple, but the answer is extremely complex. Yet, the question must be answered if an adequate amount of child support is to be ordered by the court. Determining the cost attributable to children is complicated by intertwined general household expenditures. Rent, transportation, and grocery costs, to mention a few, are impossible to accurately apportion between family members. In developing these Guidelines, a great deal of reliance was placed on the research of Thomas J. Espenshade, (*Investing In Children*, Urban Institute Press, 1984) generally considered the most authoritative study of household expenditure patterns. Espenshade used data from 8,547 households and from that data estimated average expenditures for children present in the home. Espenshade's estimates demonstrate that amounts spent on the children of intact households rise as family income increases. They further demonstrate at constant levels of income that expenditures decrease for each child as family size increases. These principles are reflected in the Guideline Schedules for Weekly Support Payments, which are included in the Indiana Child Support Guidelines. By demonstrating how expenditures for each child decrease as family size increases, Espenshade should have put to rest the previous practice of ordering equal amounts of support per child when two or more children are involved.

Income Shares Model. After review of five approaches to the establishment of child support, the Income Shares Model was selected for the Indiana Guidelines. This model was perceived as the fairest approach for children because it is based on the premise that children should receive the same proportion of parental income after a dissolution that they would have received if the family had remained intact. Because it then apportions the cost of children between the parents based on their means, it is also perceived as being fair to parents. In applying the Guidelines, the following steps are taken:

1. The gross income of both parents is added

together after certain adjustments are made. A percentage share of income for each parent is then determined.

~~2. From the parents' combined income work-related child care expense, if any, is deducted.~~

~~3.2. The total, after subtracting any work-related child care expense, is taken to the support tables, referred to in the Indiana Guidelines as the Guideline Schedules for Weekly Support Payments, to determine the total cost of supporting a child or children.~~

4.3. Work-related child care expenses and the weekly costs of health insurance premiums for the child(ren) are then added to the basic child support obligation.

5.4. The child support obligation is then prorated between the parents, based on their proportionate share of the weekly adjusted income, hence the name "income shares."

The Income Shares Model was developed by The Institute for Court Management of the National Center for State Courts under the Child Support Guidelines Project. This approach was designed to be consistent with the Uniform Marriage and Divorce Act, the principles of which are consistent with IC 31-16-6-1. Both require the court to consider the financial resources of both parents and the standard of living the child would have enjoyed in an intact family.

Gross Versus Net Income. One of the policy decisions made by the Judicial Administration Committee in the early stages of developing the Guidelines was to use a gross income approach as opposed to a net income approach. Under a net income approach, extensive discovery is often required to determine the validity of deductions claimed in arriving at net income. It is believed that the use of gross income reduces discovery. (See Commentary to Guideline 3A.) While the use of gross income has proven controversial, this approach is used by the majority of jurisdictions and, after a thorough review, is considered the best reasoned.

The basic support obligation would be the same whether gross income is reduced by adjustments built into the Guidelines or whether taxes are taken out and a net income option is used. A support guideline schedule consists of a column of income figures and a column of support amounts. In a gross income methodology, the tax factor is reflected in the support amount column, while in a net income guideline, the tax factor is applied to the income column. In devising the Indiana Guidelines, an

average tax factor of 21.88 percent was used to adjust the support column.

Of course, taxes vary for different individuals. This is the case whether a gross or net income approach is used. Under the Indiana Guideline, where taxes vary significantly from the assumed rate of 21.88 percent, a trial court may choose to deviate from the guideline amount where the variance is substantiated by evidence at the support hearing.

Flexibility Versus the Rebuttable Presumption.

Although application of the Guideline yields a figure that becomes a rebuttable presumption, there is room for flexibility. Guidelines are not immutable, black letter law. A strict and totally inflexible application of the Guidelines to all cases can easily lead to harsh and unreasonable results. If a judge believes that in a particular case application of the Guideline amount would be unreasonable, unjust, or inappropriate, a finding must be made that sets forth the reason for deviating from the Guideline amount.

The finding need not be as formal as Findings of Fact and Conclusions of Law; the finding need only articulate the judge's reasoning. For example, if under the facts and circumstances of the case, the noncustodial parent would bear an inordinate financial burden, the following finding would justify a deviation:

"Because the noncustodial parent suffers from a chronic medical condition requiring uninsured medical expenses of \$357.00 per month, the Court believes that setting child support in the Guideline amount would be unjust and instead sets support in the amount of \$___per week."

Agreed Orders submitted to the court must also comply with the "rebuttable presumption" requirement; that is, the order must recite why the order deviates from the Guideline amount.

1. **Phasing in Support Orders.** Some courts may find it desirable in modification proceedings to gradually implement the Guideline order over a period of time, especially where support computed under the Guideline is considerably higher than the amount previously paid. Enough flexibility exists in the Guidelines to permit that approach, as long as the judge's rationale is explained with an entry such as:

"The Guideline's support represents an increase of 40%, and the court finds that such an abrupt change in support obligation would render the obligor incapable of meeting his/her other established obligations. Therefore, the Court sets support in

the amount of \$_____ and, on October 1, 19____, it shall increase to \$_____ and, on September 1, 19____, obligor shall begin paying the Guideline amount of \$_____."

2. *Situations Calling for Deviation.* An infinite number of situations may prompt a judge to deviate from the Guideline amount. For illustration only, and not as a complete list, the following examples are offered:

- One or both parties pay union dues as a condition of employment.

- A party provides support for an elderly parent.

- The noncustodial parent purchases school clothes.

- The noncustodial parent has extraordinary medical expenses for himself or herself.

- Both parents are members of the armed forces and the military provides housing.

- ~~• The children spend substantially more time with the noncustodial parent than in the average case.~~

- The obligor is still making periodic payments to a former spouse pursuant to a prior Dissolution Decree.

- One of the parties is required to travel an unusually long distance in the course of employment on a regular or daily basis and incurs an unusually large expense for such travel, and

- The custodial or noncustodial parent incurs significant travel expense in exercising parenting time.

Again, no attempt has been made to define every possible situation that could conceivably arise when determining child support and to prescribe a specific method of handling each of them. Practitioners must keep this in mind when advising clients and when arguing to the court. Many creative suggestions will undoubtedly result. Judges must also avoid the pitfall of blind adherence to the computation for support without giving careful consideration to the variables that require changing the

result in order to do justice.

GUIDELINE 2. USE OF THE GUIDELINES

For obligors with a combined weekly adjusted income, as defined by these Guidelines, of less than \$100.00, the Guidelines provide for case-by-case determination of child support, normally with a range of \$25.00-\$50.00 weekly. In such cases, the Court should carefully review the obligor's income and living expenses to determine the maximum amount of child support that can reasonably be ordered without denying the obligor the means for self-support at a minimum subsistence level. A specific amount of child support should always be ordered.

The Guideline Schedules provide calculated amounts of child support to a combined weekly adjusted income level of 4,000 dollars (\$4,000.00) or 208,000 dollars (\$208,000.00) per year. For cases with higher combined weekly adjusted income, child support should be determined by using the formula found in Commentary to Guideline 3D3.

Temporary maintenance may be awarded by the court not to exceed thirty-five percent (35%) of the obligor's weekly adjusted income. In no case shall child support and temporary maintenance exceed fifty percent (50%) of the obligor's weekly adjusted income. Temporary maintenance and/or child support may be ordered by the court either in dollar payments or "in-kind" payments of obligations.

It is also intended that these guidelines be used in paternity cases and other child support actions.

Commentary

Minimum Support. The Guideline's schedules for weekly support payments do not provide an amount of support for couples with combined weekly adjusted income of less than \$100.00. Consequently the Guidelines do not establish a minimum support obligation. Instead the facts of each individual case must be examined and support set in such a manner that the obligor is not denied a means of self-support at a subsistence level. It is, however, recommended that a specific amount of support be set. Even in situations where the noncustodial parent has no income, courts have routinely established a child support obligation at some minimum level. An obligor cannot be held in contempt for

failure to pay support when there is no means to pay, but the obligation accrues and serves as a reimbursement if the obligor later acquires the ability to meet the obligation.

Income in Excess of Guideline Schedule. The Guidelines Schedules for Weekly Support Payments provide calculations for the basic support obligation to a combined weekly adjusted income of \$4,000.00 or annual adjusted income of \$208,000.00. The formula for computing support, when combined annual adjusted income is above \$208,000.00, is contained in Commentary to Guideline 3D3.

Temporary Maintenance. It is recommended that temporary maintenance not exceed thirty-five percent (35%) of the obligor's weekly adjusted income. The maximum award should be reserved for those instances where the custodial spouse has no income or no means of support, taking into consideration that spouse's present living arrangement (i.e., whether or not he or she lives with someone who shares or bears the majority of the living expense, lives in the marital residence with little or no expense, lives in military housing, etc.).

It is further recommended that the total of temporary maintenance and child support should not exceed fifty percent (50%) of the obligor's weekly adjusted income. In computing temporary maintenance, in-kind payments, such as the payment of utilities, house payments, rent, etc., should also be included in calculating the percentage limitations. Care must also be taken to ensure that the obligor is not deprived of the ability to support himself or herself.

Spousal Maintenance. It should also be emphasized that the recommendations concerning maintenance apply only to temporary maintenance, not maintenance in the Final Decree. An award of spousal maintenance in the Final Decree must, of course, be made under IC 31-15-7-2. These Guidelines do not alter those requirements. Theoretically, when setting temporary maintenance, child support should come first. That is, if child support is set at forty percent (40%) of the obligor's weekly adjusted income, only a maximum of ten percent (10%) of the obligor's income would be available for maintenance. That distinction, however, makes little practical difference. As with temporary maintenance, care should be taken to leave the obligor with adequate income for subsistence. In many instances the court will have to review the impact of taxes on the obligor's income before entering an order for spousal maintenance in addition to child support to avoid injustice to the obligor.

The worksheet provides a deduction for spousal maintenance paid as a result of a former marriage (Line 1 C). Caution should be taken to assure that any credit taken is for maintenance and not for periodic payments as the result of a property settlement pursuant to IC 31-15-7-4. No such deduction is given for amounts paid by an obligor as the result of a property settlement resulting from a former marriage, although that is a factor the court may wish to consider in determining the obligor's ability to pay the scheduled amount of support at the present time.

Again, flexibility was intended throughout the Guidelines and they were not intended to place the obligor in a position where he or she loses all incentive to comply with the orders of the court.

Guidelines to Be Applied in All Matters of Child Support. Federal law now requires that the Indiana Child Support Guidelines be applied in every instance in which child support is established including, but not limited to, dissolutions of marriage, legal separations, paternity actions, juvenile proceedings, petitions to establish support and Title IV-D proceedings.

The Indiana legislature requires the Indiana Child Support Guidelines be applied and the Child Support Worksheet be used in determining the manner in which financial services to children that are CHINS (Child in Need of Services) or delinquent are to be repaid (see I.C. 31-40-1-3). Similarly, the legislature requires the court to use the Guidelines to determine the financial contribution required from each parent of a child or the guardian of the child's estate for costs associated with the institutional placement of a child (see I.C. 31-40-1-5).

GUIDELINE 3. DETERMINATION OF CHILD SUPPORT AMOUNT

A. Definition of Weekly Gross Income.

1. *Definition of Weekly Gross Income (Line 1 of Worksheet).* For purposes of these Guidelines, "weekly gross income" is defined as actual weekly gross income of the parent if employed to full capacity, potential income if unemployed or underemployed, and imputed income based upon "in-kind" benefits. Weekly gross income of each parent includes income from any source, except as excluded below, and includes, but is not limited to, income from salaries, wages, commissions, bonuses, overtime, partnership distributions, dividends, severance pay, pensions, interest, trust income, annuities, capital gains, social security benefits, workmen's compensation benefits, unemployment insurance benefits, disability insurance benefits, gifts, inheritance, prizes, and alimony or maintenance received from other marriages.

Specifically excluded are benefits from means-tested public assistance programs, including, but not limited to Temporary Aid To Needy Families (TANF), Supplemental Security Income, and Food Stamps.

2. *Self-Employment, Business Expenses, In-Kind Payments and Related Issues.* Weekly Gross Income from self-employment, operation of a business, rent, and royalties is defined as gross receipts minus ordinary and necessary expenses. In general, these types of income and expenses from self-employment or operation of a business should be carefully reviewed to restrict the deductions to reasonable out-of-pocket expenditures necessary to produce income. These expenditures may include a reasonable yearly deduction for necessary capital expenditures. Weekly gross income from self-employment may differ from a determination of business income for tax purposes.

Expense reimbursements or in-kind payments received by a parent in the course of employment, self-employment, or operation of a business should be counted as income if they are significant and reduce personal living expenses. Such payments might include a company car, free housing, or reimbursed meals.

The self-employed shall be permitted to deduct that portion of their F.I.C.A. tax payment that exceeds the F.I.C.A. tax that would be paid by an employee earning the same Weekly Gross Income.

3. *Unemployed, Underemployed and Potential Income.* If a parent is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of potential income. A determination of potential income shall be made by determining employment potential and probable earnings level based on the obligor's work history, occupational qualifications, prevailing job opportunities, and earnings levels in the community. If there is no work history and no higher education or vocational training, it is suggested that weekly gross income be set at least at the federal minimum wage level.

4. *Natural and Adopted Children Living in the Household.* In determining a support order, there should be an adjustment to Weekly Gross Income of parents who have natural or legally adopted children living in their households, and who were born or adopted subsequent to the prior support order.

Commentary

Weekly Gross Income.

1. *Child Support Calculations Generally.* Weekly gross income, potential income, weekly adjusted income and basic child support obligation have very specific and well-defined meanings within the Indiana Child Support Guidelines. Their definitions are not repeated in the Commentary, but further explanation follows.

2. *Determination of Weekly Gross Income.* Weekly gross income is the starting point in determining the child support obligation, and it must be calculated for both parents. If one or both parents have no income, then potential income may be calculated and used as weekly gross income. Likewise, imputed income may be substituted for, or added to, other income in arriving at weekly gross income. It includes such items as free housing, a company car that may be used for personal travel, and reimbursed meals or other items received by the obligor that reduce his or her living expenses.

The Child Support Obligation Worksheet does not include space to calculate weekly gross income. It must be calculated separately and the result entered on the worksheet.

In calculating weekly gross income, it is helpful to begin with total income from all sources. This figure may not be the same as gross income for tax purposes. Internal Revenue Code of 1986, § 61. Means-tested public assistance programs (those based on income) are excluded from the computation of weekly gross income, but other government payments, such as social security benefits and veterans pensions, should be included. Only the income of the parties is included in Weekly Gross Income. The income of the spouses of the parties is not included in Weekly Gross Income.

a. *Self-Employment, Rent and Royalty Income.* Calculating weekly gross income for the self-employed or for those who receive rent and royalty income presents unique problems, and calls for careful review of expenses. The principle involved is that actual expenses are deducted, and benefits that reduce living expenses (company cars, free lodging, reimbursed meals, etc.) should be included in whole or in part. It is intended that actual out-of-pocket expenditures for the self-employed, to the extent that they are reasonable and necessary for the production of income, be deducted. Reasonable deductions for capital expenditures may be included. While income tax returns may be helpful in arriving at weekly gross income for a self-employed person, the deductions allowed by the Guidelines may differ significantly from those allowed for tax purposes.

The self-employed pay F.I.C.A. tax at twice the rate that is paid by employees. At present rates, the self-employed pay fifteen and thirty one-hundredths percent (15.30%) of their gross income to a designated maximum, while employees pay seven and sixty-five (7.65%) to the same maximum. The self-employed are therefore permitted to deduct one-half of their F.I.C.A. payment when calculating Weekly Gross Income.

b. Overtime, Commissions, Bonuses and Other Forms of Irregular Income. There are numerous forms of income that are irregular or nonguaranteed, which cause difficulty in accurately determining the gross income of a party. Overtime, commissions, bonuses, periodic partnership distributions, voluntary extra work and extra hours worked by a professional are all illustrations, but far from an all-inclusive list, of such items. Each is includable in the total income approach taken by the Guidelines, but each is also very fact-sensitive.

Each of the above items is sensitive to downturns in the economy. The fact that overtime, for example, has been consistent for three (3) years does not guarantee that it will continue in a poor economy. Further, it is not the intent of the Guidelines to require a party who has worked sixty (60) hour weeks to continue doing so indefinitely just to meet a support obligation that is based on that higher level of earnings. Care should be taken to set support based on dependable income, while at the same time providing children with the support to which they are entitled.

When the court determines that it is not appropriate to include irregular income in the determination of the child support obligation, the court should express its reasons. When the court determines that it is appropriate to include irregular income, an equitable method of treating such income may be to require the obligor to pay a fixed percentage of overtime, bonuses, etc., in child support on a periodic but predetermined basis (weekly, bi-weekly, monthly, quarterly) rather than by the process of determining the average of the irregular income by past history and including it in the obligor's gross income calculation.

One method of treating irregular income is to determine the ratio of the basic child support obligation (line 4 of the worksheet) to the combined weekly adjusted income (line 3 of the worksheet) and apply this ratio to the irregular income during a fixed period. For example, if the basic obligation was \$110.00 and the combined income was \$650.00, the ratio would be .169 ($\$110.00 / \650.00). The order of the court would then require the obligor to make a lump sum payment of .169 of the obligor's irregular income received during the fixed period.

The use of this ratio will not result in an exact calculation of support paid on a weekly basis. It will result in an overstatement of the additional support due, and particularly so when average irregular income exceeds \$250.00 per week or exceeds 75% of the regular adjusted weekly gross income. In these latter cases the obligor may seek to have the irregular income calculation redetermined by the court.

Another form of irregular income may exist when an obligor takes a part-time job for the purpose of meeting financial obligations arising from a subsequent marriage, or other circumstances. Modification of the support order to include this income or any portion of it may require that the obligor continue with that employment just to meet an increased support obligation, resulting in a disincentive to work.

Judges and practitioners should be innovative in finding ways to include income that would have benefited the family had it remained intact, but be receptive to deviations where reasons justify them. The foregoing discussion should not be interpreted to exclude consideration of irregular income of the custodial parent.

c. Potential Income. Potential income may be determined if a parent has no income, or only means-tested income, and is capable of earning income or capable of earning more. Obviously, a great deal of discretion will have to be used in this determination. One purpose of potential income is to discourage a parent from taking a lower paying job to avoid the payment of significant support. Another purpose is to fairly allocate the support obligation when one parent remarries and, because of the income of the new spouse, chooses not to be employed. ~~When potential income is attributed to a spouse, the court should not also attribute child care expense which is not actually incurred.~~ The four examples which follow illustrate some of the considerations affecting attributing potential income to an unemployed or underemployed parent.

(1) When a custodial parent with young children at home has no significant skills or education and is unemployed, he or she may not be capable of entering the work force and earning enough to even cover the cost of child care. Hence, it may be inappropriate to attribute any potential income to that parent. It is not the intention of the Guidelines to force all custodial parents into the work force. Therefore, discretion must be exercised on an individual case basis to determine if it is fair under the circumstances to attribute potential income to a particular nonworking or underemployed custodial parent. The need for a custodial parent to contribute to the financial support of a child must be carefully balanced against the need for the parent's

full-time presence in the home.

(2) When a parent has some history of working and is capable of entering the work force, but voluntarily fails or refuses to work or to be employed in a capacity in keeping with his or her capabilities, such a parent's potential income should be determined to be a part of the gross income of that parent. The amount to be attributed as potential income in such a case would be the amount that the evidence demonstrates he or she was capable of earning in the past. If for example the custodial parent had been a nurse or a licensed engineer, it is unreasonable to determine his or her potential at the minimum wage level.

(3) Even though an unemployed parent has never worked before, potential income should be considered for that parent if he or she voluntarily remains unemployed without justification. Absent any other evidence of potential earnings of such a parent, the federal minimum wage should be used in calculating potential income for that parent. However, the court should not add child care expense that is not actually incurred.

(4) When a parent is unemployed by reason of involuntary layoff or job termination, it still may be appropriate to include an amount in gross income representing that parent's potential income. If the involuntary layoff can be reasonably expected to be brief, potential income should be used at or near that parent's historical earning level. If the involuntary layoff will be extensive in duration, potential income may be based upon the parent's job capabilities and education if other employment is available. Potential income equivalent to the federal minimum wage may be attributed to that parent.

d. Imputing Income. Whether or not income should be imputed to a parent whose living expenses have been substantially reduced due to financial resources other than the parent's own earning capabilities is also a fact-sensitive situation requiring careful consideration of the evidence in each case. It may be inappropriate to include as gross income occasional gifts received. However, regular and continuing payments made by a family member, subsequent spouse, roommate or live-in friend that reduce the parent's costs for rent, utilities, or groceries, may be the basis for imputing income. The marriage of a parent to a spouse with sufficient affluence to obviate the necessity for the parent to work may give rise to a situation where either potential income or imputed income or both should be considered in arriving at gross income.

e. Return from Individual Retirement Accounts and other retirement plans. The annual return of an IRA, 401(K) or

3. *Adjustment of Weekly Gross Income for Subsequent Children.* In determining support orders, an adjustment should be made in arriving at Weekly Gross Income of the parents in instances where either or both have natural or legally adopted children who were born or adopted subsequent to the prior support order. The adjustment should be computed as follows:

STEP 2: Adjust the Weekly Gross Income of each parent according to the number of natural or legally adopted children in their household, by multiplying their Weekly Gross Incomes by one of the following percentages and entering the product on line 1 of the worksheet.

When there are two such children, multiply by .903; when there are three, multiply by .878; when there are four, multiply by .863; and when there are five, multiply by .854.

1 child $.935 = 100 - (13.1\% \div 2)$

2 children	$.903 = 100 - (1.5 \times 6.5)$
3 children	$.878 = 100 - (1.25 \times 9.75)$
4 children	$.863 = 100 - (1.125 \times 12.19)$
5 children	$.854 = 100 - (1.0625 \times 13.71)$

EXAMPLE: A noncustodial parent has a Weekly Gross Income, before adjustment, of \$500.00. The custodial parent has a Weekly Gross Income, before adjustment, of \$300.00. In considering a modification request, an adjustment should be made to the parents' respective Weekly Gross Incomes for the two (2) natural children born to the noncustodial parent since entry of the present support order and the adopted child of the custodial parent, adopted since entry of the present order. The respective Weekly Gross Incomes of the parties to be entered on line 1 of the worksheet would be as follows:

Noncustodial.....\$500 x .903 = \$451.50, and
Custodial.....\$300 x .935 = \$280.50.

B. Income Verification.

1. *Submitting Worksheet to Court.* In all cases, a copy of the worksheet which accompanies these Guidelines shall be completed and filed with the court when the court is asked to order support. This includes cases in which agreed orders are submitted. Worksheets shall be signed by both parties, not their counsel, under penalties for perjury.

2. *Documenting Income.* Income statements of the parents shall be verified with documentation of both current and past income. Suitable documentation of current earnings includes paystubs, employer statements, or receipts and expenses if self-employed. Documentation of income may be supplemented with copies of tax returns.

Commentary

Worksheet Documentation.

1. *Worksheet Requirement.* Submission of the worksheet became a requirement in 1989 when use of the Guidelines became mandatory. The Family Support Act of 1988 requires that a written finding be made when establishing support. In Indiana, this is accomplished by submission of a child support worksheet. The worksheet memorializes the basis upon which the support order

is established. Failure to submit a completed child support worksheet may, in the court's discretion, result in the court refusing to approve a child support order or result in a continuance of a hearing regarding child support until a completed worksheet is provided. At subsequent modification hearings the court will then have the ability to accurately determine the income claimed by each party at the time of the prior hearing.

If the parties disagree on their respective gross incomes, the court should include in its order the gross income it determines for each party. When the court deviates from the Guideline amount, the order or decree should also include the reason or reasons for deviation. This information becomes the starting point to determine whether or not a substantial and continuing change of circumstance occurs in the future.

2. *Verification of Income.* The requirement of income verification is not a change in the law but merely a suggestion to judges that they take care in determining the income of each party. One pay stub standing alone can be very misleading, as can other forms of documentation. This is particularly true for salesmen, professionals and others who receive commissions or bonuses, or others who have the ability to defer payments, thereby distorting the true picture of their income in the short term. When in doubt, it is suggested that income tax returns for the last two or three years be reviewed.

C. Computation of Weekly Adjusted Income (Line 1D of Worksheet) .

After weekly gross income is determined, certain reductions are allowed in computing weekly adjusted income which is the amount on which child support is based. These reductions are specified below. ~~If work-related child care expense is paid, it is subtracted from total weekly adjusted income in arriving at combined weekly adjusted income.~~

1. *Court Orders for Prior-born Child(ren) (Line 1A of Worksheet).* The amount(s) of any court order(s) for child support expenses for prior-born children should be deducted from weekly gross income. This should include court ordered post-secondary education expenses calculated on an annual basis divided by 52 weeks.

2. *Legal Duty of Support for Prior-born Children (Line 1B of Worksheet).* Where a party has a legal support duty for children born prior to the child(ren) for whom support is being established, not by court order, an amount reasonably necessary for such support shall be deducted from weekly gross income to arrive

at weekly adjusted income. This deduction is not allowed for step-children. (See line 1B of worksheet)

3. *Alimony or Maintenance From Prior Marriage (Line 1C of Worksheet)*. The amounts of alimony ordered in decrees from foreign jurisdictions or maintenance arising from a prior marriage should be deducted from weekly gross income.

Commentary

Determining Weekly Adjusted Income. After weekly gross income is determined, the next step is to compute weekly adjusted income (line 1D. of the worksheet). Certain deductions, discussed below, are allowed from weekly gross income in arriving at weekly adjusted income. ~~Work-related child care expense is deducted from total weekly adjusted income in arriving at the combined weekly adjusted income figure that is taken to the Guideline Schedules For Weekly Support Payments.~~

1. *Modification of Support in Prior Marriage.* When considering a petition to modify support arriving out of a prior marriage, no deduction is allowed for support ordered as the result of a second or subsequent marriage. Establishment of a support order in a second marriage should not constitute a change in circumstance in the first marriage which would lead to modification of the support order from the prior marriage. Each child is being supported from the money from which they could have expected to be supported had the dissolution not occurred.

Likewise, if support is being established or modified for a child born out of wedlock, the date of birth of the child would determine whether or not a deduction for the support of other children is allowed in arriving at weekly adjusted income. If a child is born out of wedlock before the children of the marriage, no deduction for the children of the marriage is allowed. A deduction for children of the marriage is allowed in establishing support for a child born out of wedlock after the children of the marriage.

2. *Legal Duty to Support.* A deduction is allowed for support actually paid, or funds actually expended, for children born prior to the children for whom support is being established. This is true even though that obligation has not been reduced to a court order. The obligor bears the burden of proving the obligation and payment of the obligation.

A custodial parent should be permitted to deduct his or her portion of the support obligation for prior-born children

living in his or her home. It is recommended that these guidelines be used to compute support.

Example: In establishing support for children of a subsequent marriage, the custodial spouse should be permitted to deduct the support he or she would pay in the prior marriage (pursuant to line 6 of Worksheet) if custody had been placed with the former spouse.

This necessitates the computation in the second dissolution of the support that would be paid by each spouse in the former marriage. This amount is inserted on line 1B of the Worksheet.

3. *Alimony or Maintenance From Prior Marriage.* The final allowable deduction from weekly gross income in arriving at weekly adjusted income is for alimony ordered in decrees from foreign jurisdictions or spousal maintenance arising from a prior marriage. These amounts are allowable only if they arise as the result of a court order. This deduction is intended only for spousal maintenance, not for periodic payments from a property settlement which are made under IC 31-15-7-4, although the court may consider periodic payments when determining whether or not to deviate from the guideline amount when ordering support. Refer to the discussion of temporary maintenance earlier in this commentary. (Line 1 C of worksheet)

D. Basic Child Support Obligation (Worksheet Line 4). The Basic Child Support Obligation should be determined using the attached Guideline Schedules for Weekly Support Payments. For combined weekly adjusted income amounts falling between amounts shown in the schedule, basic child support amounts should be rounded to the nearest amount. The number of children refers to children for whom the parents share joint legal responsibility and for whom support is being sought, excluding children for whom a post-secondary education worksheet is used to determine support. Work-related child care expense for these children is to be deducted from total weekly adjusted income in determining the combined weekly adjusted income that is used in selecting the appropriate basic child support obligation.

Commentary

Use of Guideline Schedules.

1. *Combined Weekly Adjusted Income ~~With No Work-Related Child Care Expense.~~* ~~When there is no work-related child care expense, a~~After reducing weekly gross income by the

deductions allowed above, weekly adjusted income is computed. The next step is to add the weekly adjusted income of both parties and take the combined weekly adjusted income to the Guideline schedules for weekly support payments. In selecting the appropriate column for the determination of the basic child support obligation, it should be remembered that the number of children refers only to the number of children of this marriage for whom support is being computed, excluding children for whom a post-secondary education worksheet is used to determine support. As previously explained, these Guidelines do not contain figures for combined weekly adjusted income of less than \$100.00 or more than \$4,000.00.

~~2. Combined Weekly Adjusted Income With Child Care Expense. When there is work-related child care expense, the total weekly adjusted income is reduced by the total child care expense in arriving at the combined weekly adjusted income that is used in determining the basic child support obligation from the Guideline Schedules for Weekly Support Payments. See discussion of work-related child care expense in Commentary to Guideline 3E1 for a more comprehensive explanation of the change.~~

~~3.~~ 2. *Income in Excess of Guideline Schedules.* The following formula is specifically adopted for incomes in excess of the table and has no application to income under \$4,000.00 per week. When combined weekly adjusted income exceeds \$4,000.00, it is necessary to use this formula:

$$\begin{aligned} y &= [89.42443 \times \ln(N)] - 411.24 \\ y &= \text{support for one child} \\ \ln(N) &= \text{natural log of } N \\ N &= \text{combined weekly adjusted income} \end{aligned}$$

The examples below make it apparent that use of the formula is not complicated. With a little practice and an inexpensive calculator equipped with a natural logarithm key, the calculation is easily made.

(1) Assume combined weekly adjusted income is \$4,000 with one child, then

$$\begin{aligned} \text{Support} &= [89.42443 \times \ln(4,000)] - 411.24 \\ &= [89.42443 \times (8.29405)] - 411.24 \\ &= 741.69066 - 411.24 \\ &= \$330.00 \text{ (rounded to nearest dollar)} \end{aligned}$$

(2) Assume combined weekly adjusted income is \$6,000, then

$$\begin{aligned} \text{Support} &= [89.42443 \times \ln(6,000)] - 411.24 \\ &= [89.42443 \times (8.69951)] - 411.24 \end{aligned}$$

$$\begin{aligned}
&= 777.94915 - 411.24 \\
&= \$367.00 \text{ (rounded to nearest dollar)}
\end{aligned}$$

Before moving on to example (3), please note that the support level for second and subsequent children is not simply 2, 3, or 4 times the support for one. The appropriate multiples are set forth in the following table:

support for 2 children = 1.50	x	support for one child
support for 3 children = 1.875	x	support for one child
support for 4 children = 2.10938	x	support for one child
support for 5 children = 2.24121	x	support for one child
support for 6 children = 2.31125	x	support for one child
support for 7 children = 2.34736	x	support for one child
support for 8 children = 2.36570	x	support for one child

This progression on the Guideline Schedules does not go beyond five children.

(3) Assume combined weekly adjusted income is \$7,500 with 3 children, then

$$\begin{aligned}
\text{Support for one child} &= 89.42443 \times \ln(7,500) - 411.24 \\
&= 89.42443 \times [8.92266] - 411.24 \\
&= 797.90363 - 411.24 \\
&= \$386.66 \text{ (support for one child rounded to nearest penny)}
\end{aligned}$$

$$\begin{aligned}
\text{Support for 3 children} &= 89.42443 \times 1.875 \times \text{support for one child} \\
&= 1.875 \times 386.66 \\
&= \$725.00 \text{ (rounded to nearest dollar)}
\end{aligned}$$

The basic child support obligation is placed on line 4 of the worksheet. (An explanation of line 3 computations, Percentage Share of Income, is given later.)

E. Additions to the Basic Child Support Obligation.

1. *Work-Related Child Care Expense (Worksheet Line 4A).* Child care costs incurred due to employment or job search of ~~either~~ both parent(s) ~~7~~ should be added to the basic obligation. It includes the separate cost of a sitter, day care, or like care of a child or children while the ~~custodial~~ parent works or actively seeks employment. Such child care costs must be reasonable and should not exceed the level required to provide quality care for the children. Continuity of child care should be considered. Child care costs required for active job searches are allowable on the same basis as costs required in connection with employment.

The parent who contracts for the child-care shall be responsible for the payment to the provider of the child care. For the purposed of designating this expense on the Child Support Obligation Worksheet (Line 4A), each parent's expense shall be calculated on an annual basis divided by 52 weeks. The combined amount shall be added to the Basic Child Support Obligation and each parent shall receive a credit equal to the expense incurred by that parent as an Adjustment (Line 7 of the Worksheet).

When potential income is attributed to a party, the court should not also attribute work-related child-care expense which is not actually incurred.

2. *Cost of Health Insurance For Child(ren) (Worksheet Line 4B).* The weekly cost of health insurance premiums for the child(ren) should be added to the basic obligation whenever either parent actually incurs the premium expense or a portion of such expense.

3. *Extraordinary Health Care Expense.* Please refer to Support Guideline 3 H for treatment of this issue.

4. *Extraordinary Educational Expense.* Please refer to Support Guideline 6 for treatment of this issue.

Commentary

Additions to the Basic Child Support Obligation.

1. *Work-Related Child Care Expense (Worksheet Line 4A).* One of the additions to the basic child support obligation is a reasonable child care expense incurred due to employment, or an attempt to find employment. This amount is added to the basic child support obligation in arriving at the total child support obligation.

Work-related child care expense is an income-producing expense of the parent. Presumably, if the family remained intact, the parents would treat child care as a necessary cost of the family attributable to the children when both parents work. Therefore, the expense is one that is incurred for the benefit of the child(ren) which the ~~nonecustodial~~ parents should share. ~~Before the Guidelines, many child support orders did not consider work-related child care because it was viewed as a business expense of the custodial parent. The frequent result was that, after child care costs were deducted from support, only minimal, if any, money remained for the payment of food, clothing~~

~~and shelter expenses for the child. The custodial parent was then providing the majority of the support, if not all of the support, for the child(ren) on an income that was often much less than the income of the noncustodial parent.~~

~~From their inception, the Indiana Guidelines have used an add-on method of including work-related child care expense in the computation of support. Most states use the same or a similar method of dealing with this expense. A legitimate criticism of the add-on method, however, is that it artificially overstates the income of the parties by adding on an item that is actually an expense.~~

~~Work-related child care expense, as defined above, is now subtracted from the parties' total weekly adjusted income in arriving at the combined weekly adjusted income figure on which the basic child support obligation is calculated from the Guideline Schedules For Weekly Support Payments. This yields a lower basic child support obligation. Work-related child care expense is then added to the basic child support obligation to arrive at the total child support obligation, which is then apportioned between the parties based on their percentage share of total weekly adjusted income.~~

~~In circumstances where the custodial a parent claims the work-related child care credit for federal tax purposes, it would be appropriate to reduce the amount claimed as work-related child care expense by the amount of tax saving to the custodial parent. The exact amount of the credit may not be known at the time support is set, but counsel should be able to make a rough calculation as to its effect.~~

When potential income is attributed to a party, the court should not also attribute a work-related child care expense which is not actually incurred because this expense is highly speculative and difficult to adequately verify.

2. *Cost of Health Insurance For Child(ren)* (Worksheet Line 4B). The weekly costs of health insurance premiums only for the child(ren) should be added to the basic obligation so as to apportion that cost between the parents. The parent who actually pays that cost then receives a credit towards his or her child support obligation on Line 7 of the Worksheet. (See Support Guideline 3G. Additions To Parent's Child Support Obligation). Only that portion of the cost actually paid by a parent is added to the basic obligation. If health insurance coverage is provided through an employer, only the child(ren)'s portion should be added and only if the parent actually incurs a cost for it.

Health insurance coverage should normally be provided by the parent who can obtain the most comprehensive coverage at the least cost. If a separate policy of insurance is purchased for the children, determining the weekly cost should be no problem, but in the most common situation coverage for the child(ren) will occur through an employer group plan. If the employer pays the entire cost of coverage, no addition to the basic obligation will occur. If there is an employee cost, it will be necessary for the parent to contact his or her employer or insurance provider to obtain appropriate documentation of the parent's cost for the child(ren)'s coverage.

At low income levels, giving the noncustodial parent credit for payment of the health insurance premium may reduce support to an unreasonably low amount. In such instance the Court may, in the exercise of its discretion, deny or reduce the credit.

A number of different circumstances may exist in providing health insurance coverage, such as a situation in which a subsequent spouse or child(ren) are covered at no additional cost to the parent who is paying for the coverage. The treatment of these situations rests in the sound discretion of the court, including such options as prorating the cost.

3. *Total Child Support Obligation (Worksheet Line 5).* Adding work-related child care costs, and the weekly cost of health insurance premiums for the child(ren) to the basic child support obligation results in a figure called Total Child Support Obligation. This is the basic obligation of both parents for the support of the child(ren) of the marriage, or approximately what it would cost to support the child(ren) in an intact household, excluding extraordinary health care and/or extraordinary education expenses.

F. Computation of Parent's Child Support Obligation (Worksheet Line 6).

Each parent's child support obligation is determined by multiplying his or her percentage share of total weekly adjusted income (Worksheet Line 2) times the Total Child Support Obligation (Worksheet Line 5).

1. *Division of Obligation Between Parents (Worksheet Line 6).* The total child support obligation is divided between the parents in proportion to their weekly adjusted income. Although a monetary obligation is computed for each parent, the custodial parent's share is not payable to the other parent as child support. Instead, the custodial parent's share is presumed to be spent

directly on the child.

2. *Deviation From Guideline Amount.* If, after consideration of the factors contained in IC 31-16-6-1 and IC 31-16-6-2, the court finds that the Guideline amount is unjust or inappropriate in a particular case, the court may state a factual basis for the deviation and proceed to enter a support amount that is deemed appropriate.

Commentary

Computation of Child Support.

1. *Apportionment of Support Between Parents.* After the total child support obligation is determined, it is necessary to apportion that obligation between the parents based on their respective weekly adjusted incomes. First, a percentage is formed by dividing the weekly adjusted income of each parent by the total weekly adjusted income (Line 1D of the worksheet). The percentages are entered on Line 2 of the worksheet. The total child support obligation is then multiplied by the percentages on Line 2 (the percentage of total weekly adjusted income that the weekly adjusted income of each parent represents) and the resulting figure is the child support obligation of each parent. The noncustodial parent is ordered to pay his or her proportionate share of support as calculated on line 6 of the worksheet. Custodial parents are presumed to be meeting their obligations by direct expenditures on behalf of the child, so a support order is not entered against the custodial parent.

2. *Apportionment of Support When Incapacitated Adult Child Has Earned Income.* Under certain circumstances the earned income of a child may be considered in apportioning support. In calculating a support obligation with respect to an incapacitated adult child with earned income, the support obligation may be determined by apportioning the support based upon the relative amount earned by the parents and the child.

2.3. *Deviation From Guideline Amount.* If the court determines that the Guideline amount is unjust or inappropriate, a written finding shall be made setting forth the factual basis for deviation from the Guideline amount. A simple finding such as the following is sufficient: "The court finds that the presumptive amount of support calculated under the Guidelines has been rebutted for the following reasons." A pro forma finding that the Guidelines are not appropriate does not satisfy the requirement for a specific finding of inappropriateness in a particular case, which is required in an order to deviate from the Guideline amount. For

further discussion of deviation from the Guideline amount, see also the Commentary to Support Guideline One.

G. Adjustments to Parent's Child Support Obligation (Worksheet Line 7)

The parent's child support obligation (Worksheet Line 7) may be subject to ~~three (3)~~ four (4) adjustments.

3-1. Obligation From Post-Secondary Education Worksheet.

If the parents have a child who is living away from home while attending school, his or her child support obligation will reflect the adjustment found on Line J of the Post-Secondary Education Worksheet (See Support Guideline 6 Commentary entitled Extraordinary Educational Expenses).

2. Weekly Cost of Work-related Child Care Expenses. A parent who pays a weekly child care expense should receive a credit towards his or her child support obligation. This credit is entered on the space provided on the Worksheet Line 7. The total credits claimed by the parents must equal the total amount on Line 4A. (See Support Guideline 3E Commentary entitled Additions to the Basic Child Support Obligation).

1-3. Weekly Cost of Health Insurance Premiums For Child(ren). The parent who pays the weekly premium cost for the child(ren)'s health insurance should receive a credit towards his or her child support obligation in most circumstances. This credit is entered on the space provided on the Worksheet Line 7 and will be in an amount equal to that entered on the Worksheet Line 4B (See Support Guideline 3E Commentary entitled Additions to the Basic Child Support Obligation).

2-4. ~~Credit For Exercise of Regular Visitation~~ Parenting Time Credit. The court may grant the noncustodial parent a ~~reduction~~ credit toward ~~in~~ his or her weekly child support obligation (Line 6 of Worksheet) ~~up to ten percent (10%) of that obligation~~ based upon the calculation from a Parenting Time Credit Worksheet (See Support Guideline 6 Commentary entitled ~~Deviation From Guideline Amount for Regular Visitation~~ Parenting Time and Child Support).

Commentary

(See Commentary to Support Guideline 3E and Support Guideline 6)

Effect of Social Security Benefits Received By Child Because Of Parent's Disability. Social Security benefits received by a child because of the custodial parent's disability do not reduce the child support obligation of the noncustodial parent. However, Social Security benefits received by a child because of the noncustodial parent's disability may be applied on a case by case basis as a credit to the noncustodial parent's child support obligation.

H. Treatment of Health Care Obligation

The data upon which the Guideline schedules are based include a component for ordinary health care expenses. Ordinary uninsured health care expenses are paid by ~~the custodial parent~~ the parent for whom the parenting time credit is not calculated up to six percent (6%) of the basic child support obligation (Line 4 of the child support obligation worksheet) and, if applicable, the child support obligation attributed to a student living away from home (Section Two Line I of the post-secondary education worksheet) annually since the Guideline Schedules for Weekly Support Payments include six percent (6%) for ordinary uninsured health care costs. (See Commentary to Guideline 6 for further explanation.) Extraordinary health care expenses are those uninsured expenses which are in excess of six percent (6%) of the basic obligation, and would include uninsured expenses for chronic or long term conditions of a child. Calculation of the apportionment of the health care expense obligation is a matter separate from the determination of the weekly child support obligation. These calculations shall be inserted in the space provided on the Worksheet.

Commentary

Apportionment of Health Care Expenses. The data on which the Guideline schedules are based include a component for ordinary medical expenses. Specifically, six percent (6%) of the support amount is for health care. The non-custodial parent is, in effect, prepaying health care expenses every time a support payment is made. Consequently, the Guidelines require that the custodial parent bear the cost of uninsured health care expenses up to six percent (6%) of the basic child support obligation found on Line 4 of the child support obligation worksheet and, if applicable, the child support obligation attributable to a student living away from home (Section Two Line I of the post-secondary education worksheet). That computation is made by multiplying the total of Line 4 and Line I by 52 (weeks) and multiplying the product of that multiplication by .06 to arrive at the amount the custodial parent

must spend on the uninsured health care costs of the parties' child(ren) in any calendar year before the non-custodial parent is required to contribute toward payment of those uninsured costs. For example, if line 4 is \$150.00 per week and Line I is \$25.00 per week, the calculation would be as follows: $\frac{\$150.00 + \$25.00}{\$175.00} \times 52 = \$9,100.00$ ~~$\frac{\$7,800.00}{\$175.00} \times 52 = \$2,300.00$~~ $\times .06 = \$546.00$ ~~$\times .06 = \$468.00$~~ .

Thus, on an annual basis, the custodial parent is required to spend \$546.00 ~~\$468.00~~ for health care of the child(ren) before the non-custodial parent is required to contribute. The custodial parent must document the \$546.00 ~~\$468.00~~ on health care.

After the custodial parent's obligation for ordinary uninsured health care expenses is computed, provision should be made for the uninsured health care expenses that may exceed that amount. The excess costs should be apportioned between the parties according to the Percentage Share of Income computed on Line 2 of the worksheet. Where imposing such percentage share of the uninsured costs may work an injustice, the court may resort to the time-honored practice of splitting uninsured health care costs equally, or by using other methods.

As a practical matter, it may be wise to spell out with specificity in the order what uninsured expenses are covered and a schedule for the periodic payment of these expenses. For example, a chronic long-term condition might necessitate weekly payments of the uninsured expense. The order may include any reasonable medical, dental, hospital, pharmaceutical and psychological expenses deemed necessary for the health care ~~and welfare~~ of the child(ren). If it is intended that such things as aspirin, vitamins and band-aids be covered, the order should specifically state that such non-prescription health care items are covered.

There are also situations where major health care costs are incurred for a single event such as orthodontics or major injuries. For financial reasons, this may require the custodial parent to pay the provider for the amount not covered by insurance over a number of years. The 6% rule applies to expenses actually paid by the custodial parent each year.

The order regarding the payment of the child(ren)'s health expenses should specify which parent will have the responsibility to provide health insurance.

GUIDELINE 4. MODIFICATION

The provisions of a child support order may be modified only if there is a substantial and continuing change of circumstances.

Commentary

Substantial and Continuing Change of Circumstances.

Before a child support order may be modified in Indiana, it is necessary for a party to demonstrate a substantial and continuing change in circumstances that makes the present order unreasonable or that the amount of support ordered at least twelve (12) months earlier ~~previously ordered~~ differs from the Guideline amount presently computed by more than twenty percent (20%), see IC 31-16-8-1 regarding dissolution of marriage actions or I.C. 31-14-11-8 regarding paternity actions. A change in circumstances may include ~~be the result of~~ a change in the income of the parents, the application of a parenting plan, the failure to comply with a parenting plan or a ~~it may result from~~ changes in the expenses of child rearing ~~that are specifically considered in the Guidelines.~~

If the amount of support computed at the time of modification is significantly higher or significantly lower than that previously ordered and would require a drastic reduction in a parent's standard of living, consideration may be given to phasing in the change in ~~additional~~ support. This approach would allow the ~~obligor~~ parent affected by the change time to make adjustments in his or her standard of living. Again, it is not the intent of the Guidelines to drive ~~obligors~~ the parents into noncompliance by reducing their spendable income below subsistence level.

GUIDELINE 5. FEDERAL STATUTES

These guidelines have been drafted in an attempt to comply with, and should be construed to conform with applicable federal statutes.

Commentary

Every attempt was made to draft Guidelines for the state of Indiana that would comply with applicable federal statutes and regulations. Likewise, careful attention was paid to state law.

GUIDELINE 6. ADDITIONAL COMMENTARY

Additional Commentary is offered to assist courts, practitioners and litigants in the application of the guidelines.

Commentary

Parenting Time and Child Support

Analysis of Support Guidelines. The Indiana Child Support Guidelines are based on the assumption the child(ren) live in one household with primary physical custody in one parent who undertakes all of the spending on behalf of the child(ren). There is a rebuttable presumption the support calculated from the Guideline support schedule is the correct amount of weekly child support to be awarded. The total amount of the anticipated average weekly spending is the Basic Child Support Obligation (Line 4 of the Worksheet).

The Guideline support schedules do not reflect the fact, however, when both parents exercise parenting time, out-of-pocket expenses will be incurred for the child(ren)'s care. These expenses were recognized previously by the application of a 10% visitation credit and a 50% abatement of child support during periods of extended visitation. The visitation credit was based on the regular exercise of alternate weekend visitation which is equivalent to approximately 14% of the annual overnights. With the adoption of the Indiana Parenting Time Guidelines, the noncustodial parent's share of parenting time, if exercised, is equivalent to approximately 27% of the annual overnights. As a result, these revisions provide a parenting credit based upon the number of overnights with the noncustodial parent ranging from 52 overnights annually to equal parenting time. As parenting time increases, a proportionally larger increase in the credit will occur.

Modification of Child Support Based on Parenting Time. A change in a child support order through the application of a parenting time credit does not constitute good cause for modification of the order unless the modification meets the requirements of Guideline 4.

Analysis of Parenting Time Costs. An examination of the costs associated with the sharing of parenting time reveals two types of expenses are incurred by both parents, transferred and duplicated expenses. A third category of expenses, such as the 6% uninsured health care expense, remains the sole obligation of the parent for whom the parenting time credit is not calculated. This latter category is assumed to be equal to 15% of the Basic Child Support Obligation.

Transferred Expenses. This type of expense is incurred only when the child(ren) reside with a parent and these expenses are "transferred" with the child(ren) as they move from one parent's residence to the other. Examples of this type of expense

are food and the major portion of spending for transportation. When spending is transferred from one parent to the other parent, the other parent should be given a credit against that parent's child support obligation since this type of expense is included in the support calculation schedules. When parents equally share in the parenting, an assumption is made that 35% of the Basic Child Support Obligation reflects "*transferred*" expenses. The amount of expenses transferred from one parent to the other will depend upon the number of overnights the child(ren) spend with each parent.

Duplicated Fixed Expenses. This type of expense is incurred when two households are maintained for the children. An example of this type of expense is shelter costs which are not transferred when the child(ren) move from one parent's residence to the other but remain *fixed* in each parent's household and represent *duplicated* expenditures. The fixed expense of the parent who has primary physical custody is included in the Guideline support schedules. However, the fixed expense of the other parent is not included in the support schedules but represents an increase in the total cost of raising the child(ren) attributed to the parenting time plan. Both parents should share in these additional costs.

When parents equally share in the parenting, an assumption is made that 50% of the Basic Child Support Obligation will be "*duplicated*." When the child(ren) spend less time with one parent, the percentage of duplicated expenses will decline.

These categories of expenses are not pertinent for litigation. They are presented only to explain the factors used in developing the parenting time credit formula. The percentages were assigned to these categories after considering the treatment of joint custody by other states and examining published data from the Bureau of Labor Statistics' Consumer Expenditure Survey.

Computation of Parenting Time Credit. The apportionment of credit for "*transferred*" and "*duplicated*" expenses will require a determination of the annual number of overnights of parenting time exercised by the parent who is to pay child support, the use of the standard Child Support Obligation Worksheet, a Parenting Time Table, and a Parenting Time Credit Worksheet.

An *overnight* will not always translate into a twenty-four hour block of time with all of the attendant costs and responsibilities. It should include, however, the costs of feeding and transporting the child, attending to school work and the like. Merely providing a child with a place to sleep in order to obtain a credit is prohibited.

The Parenting Time Table (Table PT) begins at 52 overnights annually or the equivalent of alternate weekends of parenting time only. If the parenting plan is for fewer overnights because the child is an infant or toddler (Section II A of the Parenting Time Guidelines), the court may consider granting the noncustodial parent an appropriate credit for the expenses incurred when caring for the child. If the parenting plan is for fewer overnights due to a significant geographical distance between the parties, the court may consider granting an appropriate credit. The actual cost of transportation should be treated as a separate issue.

If the parents are using the Parenting Time Guidelines without extending the weeknight period into an overnight, the noncustodial parent will be exercising approximately 98 overnights.

Parenting Time Table. The TOTAL column represents the anticipated total out-of-pocket expenses expressed as a percentage of the Basic Child Support Obligation that will be incurred by the parent who will pay child support. The total expenses are the sum of transferred and duplicated expenses. The DUPLICATED column represents the duplicated expenses and reflects the assumption that when there is an equal sharing of parenting time, 50% of the Basic Child Support Obligation will be duplicated. The *Number of Annual Overnights* column will determine the particular fractions of TOTAL and DUPLICATED to be used in the Parenting Time Credit Worksheet.

Table PT

ANNUAL		OVERNIGHTS	
FROM	TO	TOTAL	DUPLICATED
1	51	0.000	0.000
52	55	0.062	0.011
56	60	0.070	0.014
61	65	0.080	0.020
66	70	0.093	0.028
71	75	0.108	0.038
76	80	0.127	0.052
81	85	0.150	0.070
86	90	0.178	0.093
91	95	0.211	0.122
96	100	0.250	0.156
101	105	0.294	0.195
106	110	0.341	0.237
111	115	0.388	0.280
116	120	0.434	0.321
121	125	0.476	0.358
126	130	0.513	0.390
131	135	0.544	0.417
136	140	0.570	0.438

141	145	0.591	0.454
146	150	0.609	0.467
151	155	0.623	0.476
156	160	0.634	0.483
161	165	0.644	0.488
166	170	0.652	0.491
171	175	0.660	0.494
176	180	0.666	0.495
181	183	0.675	0.500

Parenting Time Credit Worksheet (Credit Worksheet). In determining the credit, take the following steps:

1. Complete the Child Support Obligation Worksheet through Line 6.
2. Enter on Line 1PT of the Credit Worksheet the annual number of overnights exercised by the parent who will pay child support.
3. Enter on Line 2PT of the Credit Worksheet the Basic Child Support Obligation (Line 4 from the Child Support Obligation Worksheet).
4. Enter on Line 3PT of the Credit Worksheet the figure from the TOTAL column that corresponds to the annual overnights exercised by the parent who will pay child support.
5. Enter on Line 4PT of the Credit Worksheet the figure from the DUPLICATED column that corresponds to the annual number of overnights exercised by the parent who will pay child support.
6. Enter on Line 5PT of the Credit Worksheet the percentage share of the Combined Weekly Income of the parent who will pay child support (Line 2 of the Child Support Obligation Worksheet).
7. Complete Lines 6PT through 9PT to determine the allowable credit.
8. Enter the result from Line 9PT on Line 7 of the Child Support Obligation Worksheet as the Parenting Time Credit.
9. Apply the Line 7 Adjustments to determine the recommended Child Support Obligation (Line 8 of the Child Support Obligation Worksheet).

Parenting Time Credit Worksheet

Line:		
1PT	Enter Annual Number of Overnights	
2PT	Enter Weekly Basic Child Support Obligation – BCSO (Enter Line 4 from Child Support Worksheet)	_____.
3PT	Enter Total Parenting Time Expenses as a Percentage of the BCSO (Enter Appropriate TOTAL Entry from Table PT)	. _____
4PT	Enter Duplicated Expenses as a Percentage of the BCSO (Enter Appropriate DUPLICATED Entry from Table PT)	. _____
5PT	Parent's Share of Combined Weekly Income (Enter Line 2 from Child Support Worksheet)	. _____
6PT	Average Weekly Total Expenses during Parenting Time (Multiply Line 2PT times Line 3PT)	_____.
7PT	Average Weekly Duplicated Expenses (Multiply Line 2PT times Line 4PT)	. _____
8PT	Parent's Share of Duplicated Expenses (Multiply Line 5PT times Line 7PT)	_____.
9PT	Allowable Expenses during Parenting Time (Line 6PT – Line 8PT)	. _____
	Enter Line 9PT on Line 7 of the Child Support Worksheet as the Parenting Time Credit	

Application of Parenting Time Credit. Parenting Time Credit is not automatic. The court should determine if application of the credit will jeopardize a parent's ability to support the child(ren). If such is the case, the court should consider a deviation from the credit.

The Parenting Time Credit is earned by performing parental obligations as scheduled and is an advancement of weekly credit. The granting of the credit is based on the expectation the parties will comply with a parenting time order.

A parent who does not carry out the parenting time obligation may be subject to a reduction or loss of the credit, financial restitution, or any other appropriate remedy. However,

missed parenting time because of occasional illness, transportation problems or other unforeseen events should not constitute grounds for a reduction or loss of the credit, or financial restitution.

Consistent with Parenting Time Guideline Section 1, E. 2., if court action is initiated to reduce the parenting time credit because of a failure to exercise scheduled parenting time, the parents shall enter mediation unless otherwise ordered by the court.

Other Child Rearing Expenses. The economic data used in developing the Child Support Guideline schedules do not include components related to those expenses of an 'optional' nature such as costs related to summer camp, soccer leagues, scouting and the like. When both parents agree that the child(ren) may participate in optional activities, the parents should pay their pro rata share of these expenses. In the absence of an agreement relating to such expenses the issue should be referred to the court for resolution. If the parents or the court determine that the child(ren) may participate in optional activities, the method of sharing the expenses shall be set forth in the entry.

Contents of Agreements/Decrees. Orders establishing custody and child support shall set forth the specifics of the parties' parenting time plan in all cases. A reference to the Indiana Parenting Time Guidelines will suffice if the parties intend to follow the Guidelines. All such entries shall be accompanied by a copy of the Child Support Obligation Worksheet and the Parenting Time Credit Worksheet.

In every instance the court shall designate one parent who is receiving support and shall be responsible for payment of the uninsured health care expenses up to 6% of the basic child support obligation.

If the Court determines it is necessary to deviate from the parenting time credit, it shall state its reasons in the order.

~~**Split or Joint Custody.** — The Indiana Child Support Guideline worksheet does not address the problem of establishing a support order in split or joint custody situations. IC 31-17-2-13 and 31-17-2-4. Infinite possibilities exist in terms of time spent with each parent, travel between parents, and other considerations. These such determinations are left to the sound discretion of the trial courts for handling on a case-by-case basis. A review of the guidelines of different states indicates differing methods of handling these situations. The court should be aware that when~~

~~families are sharing physical custody, the total expenditures by the parents may be substantially affected in a variety of ways. The Indiana Guidelines are based on the economic assumption that the children live in one household only. By adjusting the percentage of support between the two households, based upon percentage of time, the standard of living the children enjoy in either household may be compromised. Where a split or joint custody situation results in a support order that deviates from the rebuttable presumption, the court must explain the rationale for such deviation in its order.~~

Split Custody and Child Support In those situations where each parent has physical custody of one or more children (split custody), it is suggested that support be computed in the following manner:

1. Compute the support a father would pay to a mother for the children in her custody as if they were the only children of the marriage.
2. Compute the support a mother would pay to a father for the children in his custody as if they were the only children of the marriage.
3. Subtract the lesser from the greater support amount. The parent who owes the remaining amount pays the difference to the other parent on a weekly basis.
- ~~4. The parent who owes the greater amount of support pays the difference computed in step 3, above.~~

This method of computation takes into account the fact that the first child in each home is the most expensive to support, as discussed in the commentary to Guideline One 1.

Abatement of Support During Extended Visitation. Many of the same problems that are encountered in establishing support in split and joint custody arrangements exist in determining whether or not, or how much, to abate support during periods of extended visitation, and the subject is not addressed in the Guidelines. In considering abatement, courts and parties should consider travel costs, length of stay, savings to the custodial parent, the respective incomes of the parents, and ongoing expenses of the custodial parent while the children are with the noncustodial parent. If the support obligation of the noncustodial parent is minimal, the custodial parent may not be able to meet the ongoing additional expenses occasioned by custody of the children if support is abated during extended visits.

~~It is recommended that when visitation for periods of seven (7) days or longer occurs under a court order that consideration be given to abating support in an amount not to exceed fifty percent (50%) of the weekly support. This amount of abatement recognizes that the noncustodial parent will be bearing the routine child care expenses during visitation and that the custodial parent is relieved of those expenses. It also recognizes that the custodial parent has ongoing expenses in maintaining a year-round home for the child that do not abate during periods of visitation. If the noncustodial parent is in arrears in support when visitation occurs, it is further recommended that he or she still be permitted to abate support, but that the regular support amount be required to be paid during visitation, with the abated amount applying toward the arrearage.~~

Deviation From Guideline Amount for Regular Visitation. ~~The computation of support under the Guidelines does not take into consideration credit for time the child(ren) spend with the noncustodial parent during regular visitation. If visits occur on alternate weekends, as is customary in many court orders, the noncustodial parent bears the costs associated with child rearing two (2) days of every fourteen (14) days, or 14.3% of the time. Taking into account the ongoing costs in the custodial home, it is recommended that the noncustodial parent's child support obligation (Line 6 of Worksheet) be reduced by up to ten percent (10%) per week in situations where the noncustodial parent regularly exercises alternate weekend visitation. Presumably the noncustodial parent would then have additional discretionary income to spend on the needs of the child(ren) while visiting.~~

~~In addition to the economic aspects of visitation, a high value should be placed on visitation between the child(ren) and the noncustodial parent. In the vast majority of cases, maintaining a close relationship and frequent contact between the child(ren) and both parties is recognized as being in the best interest of the child. Therefore, courts should consider deviation from the Guideline when it will encourage visitation.~~

~~It is not recommended, however, that a reduction of ten percent (10%) simply be given in each support order. The court should assure itself through evidence presented that the visitation will occur on a regular basis. Further, if support is set at a minimal amount, such a reduction in the support order could jeopardize the custodial parent's ability to support the child(ren). If that is the case, such a deviation from the Guideline should not be given.~~

Tax Exemptions Development of these Guidelines did not take into consideration the awarding of the income tax exemption. Instead, it is recommended that each case be reviewed on an individual basis and that a decision be made in the context of each case. Judges and practitioners should be aware that under current law the court cannot award an exemption to a ~~nonecustodial~~ parent, but the court may order ~~the custodial~~ a parent to release or sign over the exemption for one or more of the children to the ~~other nonecustodial~~ parent pursuant to I.R.C. s 152(e). To effect this release, the ~~custodial~~ parent releasing the exemption must sign and deliver to the ~~other nonecustodial~~ parent I.R.S. Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents. The ~~nonecustodial~~ parent claiming the exemption must then file this form with his or her tax return. The release may be made, pursuant to the Internal Revenue Code, annually, for a specified number of years or permanently. Judges may wish to consider ordering the release to be executed on an annual basis, contingent upon support being current at the end of the calendar year for which the exemption is ordered as an additional incentive to keep support payments current. It may also be helpful to specify a date by which the release is to be delivered to the ~~nonecustodial~~ other parent each year. Shifting the exemption for minor children does not alter the filing status of either parent.

~~Shifting the exemption for minor children does not alter the filing status of either parent. I.R.C. § 2(b) defines head of household in terms of the length of time the child resides with the taxpayer, not in terms of who claims the exemption. Therefore, a nonecustodial parent's filing status is not elevated from single to head of household simply by claiming an exemption. Likewise, a custodial parent may still file as head of household even though the exemptions for all children living in the household have been released to the nonecustodial parent.~~

~~The work-related child care credit may still be claimed by a custodial parent who has released the exemption for the child for whom the credit is claimed, and the nonecustodial parent cannot claim the work-related child care expense. This exemption may only be claimed by the parent who qualifies as the head of the household in which the child resides. I.R.C. Regulations, Section 1.44 A-1(b)(2). Neither does the release of exemption affect the ability of the head of household to claim an earned income credit under I.R.C. Section 32.~~

In determining when to order a release of exemptions, it is recommended that at minimum the following factors be considered:

(1) the value of the exemption at the marginal tax rate of each parent;

- (2) the income of each parent;
- (3) the age of the child(ren) and how long the exemption will be available;
- (4) the percentage of the cost of supporting the child(ren) borne by each parent; and
- (5) the financial burden assumed by each parent under the property settlement in the case.

Costs of Transportation for Visitation Parenting Time Courts should not automatically require the noncustodial parent to bear the entire expense for transportation of the child(ren) for purposes of visitation parenting time. Among other factors, consideration should be given to the reason for the geographic distance between the parties and the financial resources of each party.

Accountability of the Custodial Parent for Support Received. Quite commonly noncustodial parents request, or even demand, that the custodial parent provide an accounting for how support money is spent. While recognizing that in some instances an accounting may be justified, the Committee does not recommend that it be routinely used in support orders. The Indiana Legislature apparently recognized that an accounting may sometimes be needed when, in 1985, it passed into law IC 31-1-11.5-13(e), now IC 31-16-9-6.

At the time of entering an order for support, or at any time thereafter, the court may make an order, upon a proper showing of the necessity therefore, requiring the spouse or other person receiving such support payments to render an accounting to the court of future expenditures upon such terms and conditions as the court shall decree.

It is recommended that an accounting be ordered upon a showing of reasonable cause to believe that child support is not being used for the support of the child. However, an order for an accounting should not be made in cases where support received by the custodial parent is \$50.00 or less per week. This provision is prospective in application and discretionary with the court. An accounting may not be ordered as to support payments previously paid.

A custodial parent may be able to account for direct costs (clothing, school expenses, music lessons, etc.) but it should be remembered that it is extremely difficult to compile

indirect costs (a share of housing, transportation, utilities, food, etc.) with any degree of accuracy. If a court found that a custodial parent was diverting support for his or her own personal use, the remedy is not clear. Perhaps, the scrutiny that comes with an accounting would itself resolve the problem.

Emancipation: Support Orders for Two or More Children

Support orders for two or more children, under the Guidelines, are stated as an in gross or total amount rather than on a per child basis. The total obligation will not decrease when the oldest child reaches twenty-one (21) years of age, or upon the occurrence of some other series of events that gives rise to emancipation, absent judicial modification of the order. Conversely, the law recognizes that where an order is framed in terms of an amount per child, an abatement of respective shares will occur upon each child's emancipation.

The concept of a pro-rata delineation of support is generally inconsistent with the economic policy underlying the Guidelines (See "Economic Data Used in Developing Guidelines" in "Commentary" to Support Guideline 1). That policy recognizes that the amount of support required for two children is 1.5 times that required to support one child. The multiplication factor decreases as the number of children increases. If support were reduced by one half when the first of two children was emancipated, the remaining amount of support would be significantly below the Guideline amount for one child at the same parental income levels.

Support orders may, however, be framed to allow for automatic abatement of support upon the emancipation of the first child if that emancipation is by reaching age twenty-one (21) or by virtue of some other significant event that will not be disputed between the parties.

EXAMPLE: Assume a combined weekly adjusted income of \$1,000.00 provided solely by the noncustodial parent, and an order for support of three children. No other factors being considered, a support order would provide for payment of \$285 per week for three children; \$228 weekly upon the oldest child reaching age twenty-one (21) years of age; and \$152 per week after the second oldest child reaches twenty-one (21), to and until the youngest child's twenty-first birthday, unless otherwise modified by the court.

It is recommended that such a delineation should be an exception and not the rule. It is incumbent upon counsel who represent parents in dissolutions to attempt to familiarize them with the need to judicially amend the order of support when children are emancipated and to discuss with the parties what

constitutes emancipation.

Extraordinary Educational Expenses

The data upon which the Guideline schedules are based include a component for ordinary educational expenses. Any extraordinary educational expenses incurred on behalf of a child shall be considered apart from the total basic child support obligation.

Extraordinary educational expenses may be for elementary, secondary or post-secondary education, and should be limited to reasonable and necessary expenses for attending private or special schools, institutions of higher learning, and trade, business or technical schools to meet the particular educational needs of the child.

a. Elementary and Secondary Education. If the expenses are related to elementary or secondary education, the court may want to consider whether the expense is the result of a personal preference of one parent or whether both parents concur; if the parties would have incurred the expense while the family was intact; and whether or not education of the same or higher quality is available at less cost.

b. Post-Secondary Education. The authority of the Court to award post-secondary educational expenses is derived from IC 31-16-6-2. It is discretionary with the court to award post-secondary educational expenses and in what amount. In making such a decision, the court should consider post-secondary education to be a group effort, and weigh the ability of each parent to contribute to payment of the expense, as well as the ability of the student to pay a portion of the expense.

If the Court determines that an award of post-secondary educational expenses is appropriate, it should apportion the expenses between the parents and the child, taking into consideration the incomes and overall financial condition of the parents and the child, education gifts, education trust funds, and any other education savings program. The court should also take into consideration scholarships, grants, student loans, summer and school year employment and other cost-reducing programs available to the student. These latter sources of assistance should be credited to the child's share of the educational expense unless the court determines that it should credit a portion of any scholarships, grants and loans to either or both parents' share(s) of the education expense.

Current provisions of the Internal Revenue Code provide tax credits and preferences which will subsidize the cost of a child's post-secondary education. While tax planning on the part of all parties will be needed to maximize the value of these subsidies, no one party should disproportionately benefit from the tax treatment of post-secondary expenses. Courts may consider who may be entitled to claim various education tax benefits and tax exemptions for the minor child(ren) and the total value of the tax subsidies prior to assigning the financial responsibility of post-secondary expenses to the parents and the child.

A determination of what constitutes educational expenses will be necessary and will generally include tuition, books, lab fees, supplies, student activity fees and the like. Room and board will also be included when the student resides on campus or otherwise is not with the custodial parent.

The impact of an award of post-secondary educational expenses is substantial upon the custodial and non-custodial parent and a reduction of the basic child support obligation attributable to the child in question will be required when the child resides on campus or otherwise is not with the custodial parent.

A consideration of the foregoing factors is addressed in the Worksheet on Post-Secondary Education Expense which should be utilized in making a fair distribution of this expense.

The court should require that a student maintain a certain minimum level of academic performance to remain eligible for parental assistance and should include such a provision in its order. The court should also consider requiring the student or the custodial parent provide the non-custodial parent with a copy of the child's high school transcript and each semester or trimester post-secondary education grade report.

The court may limit consideration of college expenses to the cost of state supported colleges and universities or otherwise may require that the income level of the family and the achievement level of the child be sufficient to justify the expense of private school.

The court may wish to consider in the category of "Other" educational costs (Line B(5) of the Worksheet) such items as transportation, car insurance, clothing, entertainment and incidental expenses.

c. Use of Post-Secondary Education Worksheet

The Worksheet makes two determinations. Section One determines the obligation of each parent for payment of post-secondary education expenses based upon his or her pro-rata share of the weekly adjusted income from the Child Support Obligation Worksheet after contribution from the student toward those costs. The method of paying such obligation should be addressed in the court's order. When the student remains at home with the custodial parent while attending an institution of higher learning, generally no reduction to the non-custodial parent's support obligation will occur and Section Two of the worksheet need not be completed.

Section Two determines the amount of each parent's weekly support obligation for the student who does not live at home year round. The amount attributable to the student while at home has been annualized to avoid weekly variations in the order. It further addresses the provisions of IC 31-16-6-2(b) which require a reduction in the child support obligation when the court orders the payment of educational expenses which are duplicated or would otherwise be paid to the custodial parent. In determining the reduction, the student is treated as emancipated. This treatment recognizes that the diminishing marginal effect of additional children is due to economies of scale in consumption and not the age of the children. A second child becomes the "first child" in terms of consumption and the custodial parent will receive Guideline child support on that basis.

Section Two applies when the parties' only child attending school does not reside with the custodial parent while attending school, as well as when the parties have more than one child and one resides away from home while attending school and the other child(ren) remain at home.

Line E of the Worksheet determines the percentage of the year the student lives at home. Line F is used to enter the basic child support obligation, from the Guideline Schedules for all of the children of the parties including the student who does not live at home year round. Line G is used to enter the amount of support for those children who are not living away from home. If the student is the only child, Line G will be \$0.00. The difference between Lines F and G is the total support obligation attributable to the student. This is entered on Line H. By multiplying the percentage of the year the student lives at home, times the support obligation attributable to the student, the worksheet pro rates to a weekly basis the total support obligation attributed to the student. This is computed on Line I and the result is included in the uninsured health care expense calculation. The parents' pro rata share of this obligation is computed in Line J. This result is included in section 7 of the Child Support Obligation Worksheet.

a. *The One Child Situation.* When the parties' only child is a student who does not live at home with the custodial parent while attending school, Section Two establishes the weekly support obligation for that child on Line I. The regular Child Support Obligation Worksheet should be completed through Line 5 for that child and the annualized obligation from Line J of the Post-Secondary Education Worksheet is entered on Line 7 with an explanation of the deviation in the order or decree.

b. *The More Than One Child Situation.* When the parties have more than one child, Section Two requires the preparation of a regular Child Support Obligation Worksheet applicable only to the child(ren) who regularly reside with the custodial parent, and for a determination of that support obligation. The annualized obligation from Line (J) of the Education Worksheet is then inserted on Line 7 of the regular support Worksheet as an addition to the Parent's Child Support Obligation on Line 6. An explanation of the increase in the support obligation should then appear in the order or decree.

In both situations the Child Support Obligation Worksheet and the Post-Secondary Education Worksheet must be filed with the court. This includes cases in which agreed orders are submitted.

When more than one child lives away from home while attending school. Section One of the Post Secondary Education Worksheet should be prepared for each child. However, Section Two should be completed once for all children living away from home while attending school. The number used to fill in the blank in Line E should be the average number of weeks these children live at home. For example, if one child lives at home for ten (10) weeks and another child lives at home for sixteen (16) weeks, the average number of weeks will be thirteen (13). This number would then be inserted in the blank on Line E which is then divided by 52 weeks.